

FARMINGTON CITY COUNCIL
Fiscal Year 2013 Budget Meeting
May 22, 2012

Present: Mayor Scott Harbertson, Council Members John Bilton, Nelsen Michaelson, Cory Ritz, Jim Talbot, City Manager Dave Millheim, and City Finance Director Keith Johnson. Council Member Jim Young was excused.

GENERAL FUND

Finance Director **Keith Johnson** said property taxes, licenses, and permits increased, and several adjustments to revenues and expenditures were made—i.e., vehicle maintenance increased by \$10,000 because of higher fuel prices. Expenditures for 2013 decreased by 2% because of salaries, benefits, modifications to the draft budget. There were no changes to most of the departments, but several items were added to the Fire Dept., and trail improvement overlays were added to the Parks Dept. for a total of \$8.3 million.

Employee Benefits

Dental insurance costs decreased by \$4,600, and bids from health insurance companies showed increases ranging from 4.3% to 24%. City staff recommended using the Public Employees Health Program (PEHP) for health insurance. They are used by many cities, state employees, and school districts, and they have not had an increase of more than 9% for several years—the normal increase is 3-5% annually. Employees will pay \$10 more per month, and the deductible will go from \$250 to \$500 per person (\$1000 per family). Years ago the City went from no deductible to \$250, and the Mayor/City Council chose to reimburse any employee who reached their deductible. Some Council Members were surprised to learn about the practice, and following a thorough discussion decided to implement a 50-50 split of the deductible amount. **Dave Millheim** said he would explain the change to the employees and try to educate them.

Travel Expenses

There was a discussion regarding both in-state and out-of-state travel expenses, and the Council suggested that staff members try to find reasonable rates on flights, hotels, etc. **Dave Millheim** said he would require City employees to show him their travel plans.

FEMA:

The City was reimbursed \$106,370 from FEMA for the 2011 wind storm. Expenses included \$18,000 in overtime; \$7,100 from Wasatch Integrated Waste; \$29,000 for tree removal; generators at the Police, Fire, and Public Works Departments; and administrative costs. There were 10,560 volunteer hours, and there may be additional reimbursement through insurance.

Capital Streets

In 2012, \$300,000 was budgeted for street improvements, and the Class C transfer was \$422,000. Another \$300,000 will be available in June. The City spent \$650,000 which included Park Lane, and the south Main Street project should be finished by the end of June. The balance in this fund at the end of FY 2012 will be \$318,650. The transfer of \$350,000 in Class C Road Funds will cover the expenditures for various overlays/leveling and the reconstruction of Main Street.

Transportation, Park, Fire, and Police Impact Fees

In 2010 the balance for transportation impact fees was \$600,000. Last year it was cut to \$218,000 because the City purchased property at Clark & Park. Next year the only budgeted expense is the bond payment, and the balance will be \$811,000. The largest expense from Park impact fees was the purchase of Old Farm (\$600,000); next year the revenue will only be \$200,000. No fees have been paid since the Fire Department was built, but there will be approximately \$50,000 next year. The Fire Department's facilities fund is for the purchase of property for a substation, and impact fees will be used to purchase a ladder truck estimated in 2014-15. The City bonded for funds to build the Police Station. The payment is \$75,000 per year, and once the building is paid for, the impact fees will end.

Water Projects

- \$1.5 million to replace the Spencer Reservoir;
- \$1 million to upsize culinary water lines to the new reservoir;
- \$1.6 million for the new well and pump house with equipment;
- \$621,480 to replace water lines in Bayview & Oak Lane

Sewer, Garbage, and Ambulance Funds

The City bills residents for sewer and sends the funds to the Central Davis Sewer District. Garbage collection rates have risen because of the cost of diesel, and the City makes a loan payment for the recycling cans. **Dave Millheim** asked about the possibility of adding green waste cans, and the Council and the **Mayor** agreed that most residents do not want three cans. The City has allocated \$50,000 for a new fire truck and \$244,000 for two new ambulances next year.

Recreation fund

This is an enterprise fund, and most of the activities such as soccer, football, basketball, tennis, volleyball, dance, etc. are doing well. The swimming pool made money last year, and the Community Center generates approximately \$18,000 annually.

Festival Days, Scholarship (Miss Farmington) Pageant, Performing Arts

Several years ago the City set these up as enterprise funds which seems to work well. The City donated \$900 from the general fund to the Scholarship Pageant.

MBA/RDA

The City's MBA will be paid off by the Davis School District in June, and the City currently has two RDA projects: U.S. 89 (Old Farm) and Station Park.

The meeting was adjourned at 8:45 p.m.



Dave Millheim, City Manager
Farmington City Corporation